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OGC:LRH:jeb

7 July 1954

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Hoover Commission Review of the Central Intelligence Agency

Listed below are the seven specific functions which the Hoover Commission is required to perform by statute. With each one are comments as to how they might apply to the Commission's inspection of the Central Intelligence Agency. It is understood in this connection that there will be no detailed inspection by the Commission of the clandestine intelligence activities or covert operations.

FUNCTION. 1. The Commission's duty to recommend methods and procedures, reduce expenditures to the lowest amount consistent with the performance of essential activities.

COMMENT. This would appear to be the basis for a general management study going into TOs and staffing and administrative practices of all sorts. A key point in this study might well be determination of economies to be achieved by consolidation of the Agency in a single

structure with comments as to the location and nature of such a

structure.

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Date 5/23/91

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Approved For Release 2003/12/09 : CIA-RDP88-00374R000100250027-4
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FUNCTION. 2. Eliminating duplication and overlapping of services, activities, and functions.

COMMENT. This would appear to include consideration of the entire intelligence structure with special emphasis on economic and scientific intelligence. A specific point might be made of external research under this study. At the outset, however, the Commission should consider that in the intelligence field there must be some duplication and overlapping and the emphasis would be on eliminating unnecessary duplication and overlapping. (Security)

FUNCTION. 3. Consolidating services, activities, and functions of a similar nature.

COMMENT. This is the concomitant of 2 and would follow the same lines of investigation. An additional point might be the review 25X1A8A once more of whether the is properly a part of the Deputy Director (Intelligence) structure or should be relocated.

FUNCTION. 4. Abolishing services, activities, and functions not necessary to the efficient conduct of Government.

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COMMENT. This might well include a review of the whole

function. If there is any consideration of the covert side it might also include a review of the TSS function, or on a broader scale whether the Government in general and this Agency in particular should be conducting covert operations of a psychological warfare and paramilitary type.

FUNCTION. 5. Eliminating nonessential activities which are competitive with private enterprise.

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FUNCTION. 6. Defining responsibilities of officials.

COMMENT. The emphasis here would logically be placed on whether the Director is given authority consistent with his responsibility.

Specifically, aspects of this study would include the relationship of the Director to the IAC, his responsibilities as Chairman of USCIB under NSCID 9, and probably the growing problem of his place in the entire intelligence budgetary structure.

FUNCTION. 7. Relocating agencies now responsible directly to the President.

COMMENT. As the Central Intelligence Agency technically reports to the National Security Council this function would not appear to be in question, but there would be no harm in review of whether the Agency is properly set up in the Government structure.

LAWRENCE R. HOUSTON
General Counsel